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E.

Other Problems -

No other significant problems were noted.  
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ACTION INL-00

RELEASED IN FULL

INFO LOG-00 MFA-00 EEB-00 AID-00 CIAE-00 DODE-00 DOEE-00  
DOTE-00 WHA-00 DS-00 DHSE-00 OIGO-00 E-00 FAAE-00  
UTED-00 VCI-00 FOE-00 TEDE-00 INR-00 IO-00 L-00  
MOFM-00 MOF-00 VCIE-00 DCP-00 NSAE-00 ISN-00 NSCE-00  
OMB-00 EPAU-00 PA-00 PER-00 PM-00 PRS-00 P-00  
SCT-00 ISNE-00 DOHS-00 SP-00 IRM-00 TRSE-00 T-00  
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UNCLAS MEXICO 000566 REVIEW AUTHORITY: Oscar Olson, Senior Reviewer

STATE FOR INL/RM, INL/LP; DEA FOR OD, OF, OFC, NPSM

E.O. 12958: N/A  
TAGS: PREL, AFIN, SNAR, MX  
SUBJECT: MEXICO: END-USE MONITORING REPORT FOR CALENDAR YEAR 2008

REF: 08 STATE 127211, 09 STATE 015905

#### I. PROCEDURES

##### A. INVENTORY MANAGEMENT

EUM Program coordinator

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#### Inventory System

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During CY2008 GOM officials regularly signed Notes of Agreement  
(NOAs) documenting receipt of donated commodities. The NOA's specify  
the items donated, their quantities, descriptions, serial numbers,  
intended use, locations and the legal authority for donation and

receipt of such goods. Use of these documents has helped GOM and NAS officials to develop and maintain a centralized inventory of donated equipment. Parallel records are also kept by individual Project Coordinators and NAS Accounting. These records are updated periodically through field visits, the comparison of USG written records with GOM written records and through discussions held with GOM contacts.

#### Staff member EUM Responsibilities

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William Carroll - Border Security Projects (BSP) Advisor. Serves as the project advisor for all projects falling under the border security program area. The BSP Coordinator regularly performs on-site visits throughout Mexico's POEs and gathers end use information through verbal communications with GOM contacts.

Fred Schellenberg - IT Projects and Infrastructure Advisor. Advises GOM agencies on matters related to IT. Maintains ongoing communications with GOM contacts and assesses the use of donated equipment associated with IT projects.

Andrew Zgolinski - Aviation Advisor. Advises GOM agencies on all aviation related matters dealing with anti-narcotics operations, i.e. training, maintenance, equipment, etc. End-use information is gathered by regular on-site visits with the assistance of FSN Gabriel Lara, written weekly and monthly reports, and verbal communications with GOM contacts.

#### Other USG Agency Assistance

- -- Drug Enforcement Administration (DOJ/DEA)  
-- Office of Defense Coordination (DOD/ODC)  
-- Customs and Border Protection (DHS/CBP)  
-- Immigration and Customs Enforcement (DHS/CBP/ICE)

These agencies collaborated frequently with NAS in order to achieve stated mission plans. Of these agencies, NAS collaborated frequently with DHS/CBP in the identification, testing, selection, implementation, and analysis of non-intrusive inspection equipment (NII). In addition, DHS/CBP/ICE provided ongoing advice for NII x-ray equipment used at major Mexican airports.

#### B. COUNTERPART AGENCIES

##### Recipients

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GOM federal agencies requested and received USG-provided equipment. Following the receipt of commodities, these agencies collaborated with NAS in the EUM process by sharing inventory records, usage level and status of commodities information. They also assisted in scheduling and accompanied project advisors on on-site visits. Specifically, these agencies include:

- Office of the Attorney General (PGR)  
-- Secretariat of Public Security (SSP)  
-- Secretariat of Government (SEGOB)

- Secretariat of National Defense (SEDENA)
- Secretariat of Finance and Public Credit, Customs (SAT)
- Secretariat of Public Health's National Commission for Protection against Health Risks (COFEPRIS)
- Secretariat of Communications and Transportation (SCT)
- Federal Preventive Police (PFP)
- National Immigration Institute (INAMI)

#### Receipt

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GOM federal agencies that receive USG donated equipment are required to sign Notes of Agreement. In some cases, GOM entities request in writing that NAS personnel procure specific items of equipment for certain projects. Nonetheless, NAS personnel generally do not await receipt of such written requests before conducting individual purchases for projects agreed to in advance by both Governments under the signed Letters of Agreement and Amendments. Upon delivery of major equipment, NAS personnel prepare NOAs to document receipt of equipment. These NOAs specify the donated items, quantities, descriptions, serial numbers, and authority for the donation.

#### C. ON-SITE INSPECTIONS

In CY 2008 approximately 55% of all donated items were inspected on-site. Of the remainder, 10% were inspected by means of comparing bi-lateral written records and the balance through discussions with GOM contacts.

#### D. SECONDARY METHODS OF MONITORING RESOURCE STATUS

##### Comparison of Records

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In CY 2008 45% of USD donated equipment was not physically inspected. However, NAS was able to obtain information regarding the status and use of this equipment through comparison with GOM written and digital records and through discussions with GOM contacts.

##### Discussions

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When on-site inspections are not feasible, post may hold discussions with host government officials on the status of INL funded resources.

#### II. STATUS-COMMODITIES

From October 27 2008 through November 7 2008, a random physical inspection was performed by DEA Resident Offices in Ciudad Juarez, Guadalajara, Hermosillo, Mazatlan, Merida, Mexico City, Monterrey and Tijuana of the equipment utilized by the Special Investigative Units of the Federal Police. A complete physical inventory of the individual offices is available upon request.

In 2008, NAS completed donations of commodities to various Mexican agencies summarized below. An extensive listing of commodities provided under these NOAs is available upon request.



--Federal Preventive Police (PFP) - computer and office equipment, cell phones and cameras.

--Secretariat of Finance and Public Credit, Customs (SAT) - computer and office equipment, a server, six money counters, 15 handheld ion scanners, 68 endoscope and densimeter kits.

--Office of the Attorney General (PGR) - computer and office equipment and money counters.

--National Institute of Psychology (INP) - computer and office equipment

--Secretariat of Public Security (SSP)- computer equipment for Plataforma Mexico, five ion scanners.

--National Banking Commission (CNBV) - computer and office equipment

--National Immigration Institute (INAMI) - computer and office equipment

### III. STATUS-INVENTORIES

#### A. AIRCRAFT

UH-1H interdiction helicopters were based at the following locations:

- XC-BBA Insurance Repair Station
- XC-LIX Hermosillo
- XC-BBG Guadalajara
- XC-HGR Insurance Repair Station
- XC-BBH Guadalajara
- XC-JAX Guadalajara pending destruction
- XC-BBJ Caborca
- XC-LJJ Mexicali
- XC-JAD Guadalajara
- XC-JAQ Guadalajara pending destruction
- XC-LJK Chetumal
- XC-JAN Guadalajara pending destruction
- XC-LIY Guadalajara
- XC-JAV Guadalajara pending destruction
- XC-JAM Guadalajara pending destruction

- XC-JAO Guadalajara pending destruction
- XC-BBL Santana
- XC-JAA Guadalajara pending destruction
- XC-JAS Insurance Repair Station
- XC-JAR Guadalajara pending destruction
- XC-JAU Destroyed in accident
- XC-BBF Acapulco
- XC-BBE Guadalajara
- XC-BBD Guadalajara pending destruction
- XC-LIW Insurance Repair Station

- XC-LIZ Tapachula
- XC-LKF Acapulco
- XC-LKG Ciudad Carmen

Schweizer SAC-333 helicopters for aerial surveillance and border security were based in the following locations:

- XC-DAF Destroyed in accident
- XC-DAH Nogales
- XC-DAJ Mexicali
- XC-UAJ Guadalajara
- XC-LJH Ciudad Carmen
- XC-LJI Guadalajara
- XC-LJL Chetumal
- XC-LJY Guadalajara
- XC-LJX Culiacan
- XC-LKC Acapulco
- XC-LKD Chihuahua

Aircraft parts, valued at approximately \$24 million, for the UH-1Hs were delivered in the second half of December to the PGR's main maintenance base and warehouse in Guadalajara. As of the end of the year the parts were being inventoried and entered into the PGR's tracking system.

## B. VEHICLES

### Mexican Customs (SAT)

-- Three NAS-funded non-intrusive inspection (NII) x-ray minivans operated in the passenger luggage-handling areas at the international airports in Mexico City (two) and in Cancun (Quintana Roo), detecting bulk shipments of illicit cash and other contraband.

-- Twelve installed Portal VACIS units, purchased for and delivered to SAT from 2004 to 2007, inspected trucks and trailers for arms, drugs, and other contraband at the following northern Mexico strategic ports of entry: Colombia (Nuevo Leon - 2); Nuevo Laredo (Tamaulipas - 2); Piedras Negras (Coahuila - 2); Nogales (Sonora - 2); Mexicali (Baja California Norte); Otay Mesa (BCN); Ciudad Jurez (Chihuahua); and Reynosa (Tamaulipas). Other installed NAS-purchased NII equipment, including a railroad VACIS at Mexicali and a Pallet VACIS at the Mexico City International Airport, detected rail and air contraband, respectively. NAS visited these units during 2008, the Mexico City airport Pallet VACIS being shown regularly to visiting USG officials.

-- In 2008, NAS purchased an x-ray minivan and 10 x-ray backscatter vans for SAT.

### Mexican Federal Police (SSP/AFI)

-- The Federal Police (SSP/AFI) operated three USG-provided NII mobile Gamma radiation VACIS (Vehicle and Cargo Inspection Systems) vehicles donated by the NAS in November 2005. These vehicles, joined

by five other similar units purchased by SSP/AFI in 2007, operated at unannounced locations throughout Mexico for short periods of time, inspecting trucks and trailers for contraband. NAS personnel saw the USG-provided trucks operating along Mexican highways once each quarter during the reporting year.

#### Secretariat of Communications and Transportation (SCT)

-- The six SENTRI (Secure Electronic Network for Travelers Rapid Inspection) Access Lanes constructed in Mexico by NAS between 2004 and 2007, which included infrastructure such as concrete, signs, lane barriers, relocating trees and kiosks, light poles, paint, reflectors, etc., continued being operated by the Secretariat of Communications and Transportation (SCT) at the following major northern ports of entry: Tijuana (BCN); Mexicali; Nogales; Nuevo Laredo; Matamoros (Tamaulipas); and Reynosa. NAS officers saw the lanes in use throughout the year during office-related and personal trips across the border.

#### Office of the Attorney General (PGR) and Secretariat of Public Security (SSP) Special Investigative Units

--This inventory dates back to 1998, and two changes of administration have occurred in Mexico since then. The GOM recently merged the Agencia Federal de Investigaciones (AFI) and the Policia Federal Preventiva (PFP), creating the new Federal Police. Over this period of time, vehicles donated by NAS to the Special Investigative

Units have been transferred to different locations and agencies consistent with GOM priorities in the fight against narcotics.

#### Vehicle Current Inventory

Volkswagen Jetta CL	7
Volkswagen Sedan	6
Nissan	3
Kawasaki motorcycles	9
Jeep	2
Ford Lobo	16
Ford Explorer	4
Ford Freestar	4
Ford Mondeo	11
Ford F250	4
Yamaha motorcycles	10
Chevy Malibu	6
Chevy Cheyenne	6

Twelve non-armored surveillance vehicles, the six Chevy Malibu sedans and six Chevy Cheyenne 4x4 pickups listed above, were donated to SSP in CY2008. A total of 38 vehicles were purchased in CY2008 with NAS funds for the vetted units. The remaining 26 vehicles, Chevy Suburban 4x4, will be donated to SSP in CY2009.

C. VESSELS - N/A

D. WEAPONS - N/A

### III. STATUS SERVICES

#### A. CONSTRUCTION PROJECTS - N/A

#### B. DEMAND REDUCTION SERVICES - N/A

#### C. OTHER PROFESSIONAL SERVICES

The professional services provided by NAS have allowed Mexico to advance its prosecutions of drug traffickers and combat terrorism.

##### Mexican Customs (SAT)

--The first three x-ray minivans are in the last year of a three-year USG-funded extended maintenance contract; the fourth minivan, as yet not operational, is under its initial USG-funded warranty year, with an additional USG-funded one year extended maintenance contract already in place; the ten x-ray vans, also not on-line as yet, have a USG-funded initial warranty year and a one-year extended maintenance contract in place; NAS still provides initial crew training for these ten x-ray units.

##### Secretariat of Public Security (SSP)

--The three gamma radiation mobile trucks are in the third year of a USG-funded six-year extended maintenance contract.

### 7. PROGRAM IMPACT

#### A. COMMUNICATIONS EQUIPMENT

Telecommunications equipment donated by NAS has facilitated interconnectivity within the Government of Mexico and with elements of the USG. For example, one project, OASISS, supports near daily interchange of information between the PGR and the DHS CBP relating to illegal human smuggling cases.

#### B. WEAPONS - N/A

#### C. CONSTRUCTION PROJECTS - N/A

#### D. SURVEILLANCE EQUIPMENT

The USG-provided NII equipment, both mobile and fixed, have given the GOM additional capability in detecting and confiscating drugs, weapons, chemicals, explosives, laundered money, as well as other contraband, at diverse, and often constantly changing strategic locations throughout Mexico; the x-ray minivans alone have contributed to SAT discovering over USD 70 million in cash since the beginning of calendar year 2004. Following delivery and manufacturer training, NII units delivered in CY2008, which can detect drugs, chemicals, weapons, laundered money, explosives, and other contraband, began entering operational use at the close of the year.



Nine UH-1H fuselages are pending destruction at the PGR's main helicopter maintenance base in Guadalajara. These aircraft were not deemed economically viable to repair. Permission to destroy these aircraft was obtained from INL/RM and once advised that the process should proceed, NAS Aviation Advisor will travel to Guadalajara to observe the destruction and recover the aircraft identification data plates.

E. OTHER PROBLEMS - N/A

VI. SUMMARY

This cable reflects NAS Mexico efforts to comply with INL guidance as reflected in REF. The activities of NAS Mexico fully comply with the guidance for End Use Monitoring.

BASSETT

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